

Senator Derrin R. Owens proposes the following substitute bill:

RURAL TRANSPORTATION INFRASTRUCTURE FUND

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Derrin R. Owens

House Sponsor: Carl R. Albrecht

LONG TITLE

General Description:

This bill creates the Rural Transportation Infrastructure Fund for highway projects in certain cities, towns, and counties.

Highlighted Provisions:

This bill:

- ▶ requires the Division of Finance to annually transfer a certain percentage of money in the Transportation Investment Fund of 2005 into the Rural Transportation Infrastructure Fund;
- ▶ creates a restricted account called the Rural Transportation Infrastructure Fund;
- ▶ provides for distribution from the account; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2024:

- ▶ to Department of Transportation -- Rural Transportation Infrastructure Fund -- as a one-time appropriation:
 - from the General Fund One-time, \$50,000,000.

Other Special Clauses:

None



26 **Utah Code Sections Affected:**

27 AMENDS:

28 **72-2-124**, as last amended by Laws of Utah 2022, Chapters 69, 259 and 406

29 ENACTS:

30 **72-2-133**, Utah Code Annotated 1953



31 *Be it enacted by the Legislature of the state of Utah:*

32 Section 1. Section **72-2-124** is amended to read:

33 **72-2-124. Transportation Investment Fund of 2005.**

34 (1) There is created a capital projects fund entitled the Transportation Investment Fund
35 of 2005.

36 (2) The fund consists of money generated from the following sources:

37 (a) any voluntary contributions received for the maintenance, construction,
38 reconstruction, or renovation of state and federal highways;

39 (b) appropriations made to the fund by the Legislature;

40 (c) registration fees designated under Section **41-1a-1201**;

41 (d) the sales and use tax revenues deposited into the fund in accordance with Section
42 **59-12-103**; and

43 (e) revenues transferred to the fund in accordance with Section **72-2-106**.

44 (3) (a) The fund shall earn interest.

45 (b) All interest earned on fund money shall be deposited into the fund.

46 (4) (a) Except as provided in Subsection (4)(b), the executive director may only use
47 fund money to pay:

48 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
49 federal highways prioritized by the Transportation Commission through the prioritization
50 process for new transportation capacity projects adopted under Section **72-1-304**;

51 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway
52 projects described in Subsections **63B-18-401**(2), (3), and (4);

53 (iii) principal, interest, and issuance costs of bonds authorized by Section **63B-18-401**
54 minus the costs paid from the County of the First Class Highway Projects Fund in accordance
55 with Subsection **72-2-121**(4)(e);
56

57 (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
58 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount certified
59 by Salt Lake County in accordance with Subsection 72-2-121.3(4)(c) as necessary to pay the
60 debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;

61 (v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
62 for projects prioritized in accordance with Section 72-2-125;

63 (vi) all highway general obligation bonds that are intended to be paid from revenues in
64 the Centennial Highway Fund created by Section 72-2-118;

65 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
66 Class Highway Projects Fund created in Section 72-2-121 to be used for the purposes described
67 in Section 72-2-121;

68 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
69 the costs needed for construction, reconstruction, or renovation of paved pedestrian or paved
70 nonmotorized transportation for projects that:

71 (A) mitigate traffic congestion on the state highway system;

72 (B) are part of an active transportation plan approved by the department; and

73 (C) are prioritized by the commission through the prioritization process for new
74 transportation capacity projects adopted under Section 72-1-304;

75 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
76 reconstruction, or renovation of or improvement to the following projects:

77 (A) the connector road between Main Street and 1600 North in the city of Vineyard;

78 (B) Geneva Road from University Parkway to 1800 South;

79 (C) the SR-97 interchange at 5600 South on I-15;

80 (D) two lanes on U-111 from Herriman Parkway to 11800 South;

81 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;

82 (F) improvements to 1600 North in Orem from 1200 West to State Street;

83 (G) widening I-15 between mileposts 6 and 8;

84 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;

85 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197 in
86 Spanish Fork Canyon;

87 (J) I-15 northbound between mileposts 43 and 56;

88 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts 43
89 and 45.1;

90 (L) east Zion SR-9 improvements;

91 (M) Toquerville Parkway;

92 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;

93 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds, for
94 construction of an interchange on Bangerter Highway at 13400 South; and

95 (P) an environmental impact study for Kimball Junction in Summit County; and

96 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
97 costs based upon a statement of cash flow that the local jurisdiction where the project is located
98 provides to the department demonstrating the need for money for the project, for the following
99 projects in the following amounts:

100 (A) \$5,000,000 for Payson Main Street repair and replacement;

101 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;

102 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and

103 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S. 40
104 between mile markers 7 and 10.

105 (b) The executive director may use fund money to exchange for an equal or greater
106 amount of federal transportation funds to be used as provided in Subsection (4)(a).

107 (5) (a) Except as provided in Subsection (5)(b), if the department receives a notice of
108 ineligibility for a municipality as described in Subsection 10-9a-408(7), the executive director
109 may not program fund money to a project prioritized by the commission under Section
110 72-1-304, including fund money from the Transit Transportation Investment Fund, within the
111 boundaries of the municipality during the fiscal year specified in the notice.

112 (b) Within the boundaries of a municipality described in Subsection (5)(a), the
113 executive director:

114 (i) may program fund money in accordance with Subsection (4)(a) for a limited-access
115 facility or interchange connecting limited-access facilities;

116 (ii) may not program fund money for the construction, reconstruction, or renovation of
117 an interchange on a limited-access facility;

118 (iii) may program Transit Transportation Investment Fund money for a

119 multi-community fixed guideway public transportation project; and

120 (iv) may not program Transit Transportation Investment Fund money for the
121 construction, reconstruction, or renovation of a station that is part of a fixed guideway public
122 transportation project.

123 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive
124 director before July 1, 2022, for projects prioritized by the commission under Section
125 72-1-304.

126 (6) (a) Except as provided in Subsection (6)(b), if the department receives a notice of
127 ineligibility for a county as described in Subsection 17-27a-408(7), the executive director may
128 not program fund money to a project prioritized by the commission under Section 72-1-304,
129 including fund money from the Transit Transportation Investment Fund, within the boundaries
130 of the unincorporated area of the county during the fiscal year specified in the notice.

131 (b) Within the boundaries of the unincorporated area of a county described in
132 Subsection (6)(a), the executive director:

133 (i) may program fund money in accordance with Subsection (4)(a) for a limited-access
134 facility to a project prioritized by the commission under Section 72-1-304;

135 (ii) may not program fund money for the construction, reconstruction, or renovation of
136 an interchange on a limited-access facility;

137 (iii) may program Transit Transportation Investment Fund money for a
138 multi-community fixed guideway public transportation project; and

139 (iv) may not program Transit Transportation Investment Fund money for the
140 construction, reconstruction, or renovation of a station that is part of a fixed guideway public
141 transportation project.

142 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive
143 director before July 1, 2022, for projects prioritized by the commission under Section
144 72-1-304.

145 (7) (a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued
146 in any fiscal year, the department and the commission shall appear before the Executive
147 Appropriations Committee of the Legislature and present the amount of bond proceeds that the
148 department needs to provide funding for the projects identified in Subsections 63B-18-401(2),
149 (3), and (4) or Subsection 63B-27-101(2) for the current or next fiscal year.

150 (b) The Executive Appropriations Committee of the Legislature shall review and
151 comment on the amount of bond proceeds needed to fund the projects.

152 (8) (a) The Division of Finance shall, from money deposited into the fund, transfer the
153 amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
154 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt service or
155 sinking fund.

156 (b) The Division of Finance shall transfer an amount equal to 1% of the money
157 annually deposited into the account into the Rural Transportation Infrastructure Fund created in
158 Section 72-2-133.

159 (9) (a) There is created in the Transportation Investment Fund of 2005 the Transit
160 Transportation Investment Fund.

161 (b) The fund shall be funded by:

162 (i) contributions deposited into the fund in accordance with Section 59-12-103;

163 (ii) appropriations into the account by the Legislature;

164 (iii) deposits of sales and use tax increment related to a housing and transit
165 reinvestment zone as described in Section 63N-3-610;

166 (iv) private contributions; and

167 (v) donations or grants from public or private entities.

168 (c) (i) The fund shall earn interest.

169 (ii) All interest earned on fund money shall be deposited into the fund.

170 (d) Subject to Subsection (9)(e), the Legislature may appropriate money from the fund:

171 (i) for public transit capital development of new capacity projects and fixed guideway
172 capital development projects to be used as prioritized by the commission through the
173 prioritization process adopted under Section 72-1-304;

174 (ii) for development of the oversight plan described in Section 72-1-202(5); or

175 (iii) to the department for oversight of a fixed guideway capital development project
176 for which the department has responsibility.

177 (e) (i) The Legislature may only appropriate money from the fund for a public transit
178 capital development project or pedestrian or nonmotorized transportation project that provides
179 connection to the public transit system if the public transit district or political subdivision
180 provides funds of equal to or greater than 40% of the costs needed for the project.

181 (ii) A public transit district or political subdivision may use money derived from a loan
182 granted pursuant to Title 72, Chapter 2, Part 2, State Infrastructure Bank Fund, to provide all or
183 part of the 40% requirement described in Subsection (9)(e)(i) if:

184 (A) the loan is approved by the commission as required in Title 72, Chapter 2, Part 2,
185 State Infrastructure Bank Fund; and

186 (B) the proposed capital project has been prioritized by the commission pursuant to
187 Section 72-1-303.

188 (f) Before July 1, 2022, the department and a large public transit district shall enter into
189 an agreement for a large public transit district to pay the department \$5,000,000 per year for 15
190 years to be used to facilitate the purchase of zero emissions or low emissions rail engines and
191 trainsets for regional public transit rail systems.

192 (10) (a) There is created in the Transportation Investment Fund of 2005 the
193 Cottonwood Canyons Transportation Investment Fund.

194 (b) The fund shall be funded by:

195 (i) money deposited into the fund in accordance with Section 59-12-103;

196 (ii) appropriations into the account by the Legislature;

197 (iii) private contributions; and

198 (iv) donations or grants from public or private entities.

199 (c) (i) The fund shall earn interest.

200 (ii) All interest earned on fund money shall be deposited into the fund.

201 (d) The Legislature may appropriate money from the fund for public transit or
202 transportation projects in the Cottonwood Canyons of Salt Lake County.

203 Section 2. Section 72-2-133 is enacted to read:

204 **72-2-133. Rural Transportation Infrastructure Fund -- Creation -- Uses.**

205 (1) There is created a restricted account called the Rural Transportation Infrastructure
206 Fund.

207 (2) The account shall be funded by:

208 (a) annual deposits into the account as described in Subsection 72-2-124(8)(b);

209 (b) appropriations by the Legislature; and

210 (c) other deposits into the account.

211 (3) (a) For any money deposited into the account as described in Subsection (2)(a), the

212 Legislature may appropriate the funds in the account to a county that:

213 (i) is not part of a large public transit district; and

214 (ii) has imposed a local option sales and use tax described in Section [59-12-2219](#).

215 (b) The Legislature shall appropriate funds in the account to counties described in

216 Subsection (4)(a) according to the number of weighted mileage, as defined in Section

217 [72-2-108](#), within each county described in Subsection (4)(a).

218 (4) (a) For any money deposited into the account as described in Subsection (2)(b) on

219 or before July 1, 2023, the Legislature may appropriate the funds in the account to:

220 (i) a county that is not part of a large public transit district; and

221 (ii) a city or town within a county described in Subsection (4)(a)(i).

222 (b) A city, town, or county that receives money from the account as described in

223 Subsection (4)(a) may use the funds for a highway project.

224 **Section 3. Appropriation.**

225 The following sums of money are appropriated for the fiscal year beginning July 1,

226 2023, and ending June 30, 2024. These are additions to amounts previously appropriated for

227 fiscal year 2024. The Legislature authorizes the State Division of Finance to transfer the

228 following amounts between the following funds or accounts as indicated. Expenditures and

229 outlays from the funds to which the money is transferred must be authorized by an

230 appropriation.

231 ITEM 1

232 To Department of Transportation – Rural Transportation Infrastructure Fund

233 From General Fund, One-time 50,000,000

234 Schedule of Programs:

235 Rural Transportation Infrastructure Fund 50,000,000